

PRESS RELEASE

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Madison, Wisconsin -- Erik C. Peterson, United States Attorney for the Western District of Wisconsin, announced that George Macapugay, 45, Madison, Wis., pleaded guilty today in U.S. District Court in Madison to filing a false income tax return with the Internal Revenue Service. Macapugay pleaded guilty to filing a 2004 Form 1040 with the IRS that substantially underreported his adjusted gross income.

At today's plea hearing, the government established that Macapugay filed a false 2004 Form 1040 that failed to report the income from Macapugay's business called Midwest Heating. According to the government, the adjusted gross income figure for the 2004 tax return was understated by \$93,425. An IRS criminal investigator determined that Macapugay's tax returns for the years 2001 through 2004 underreported income from Midwest Heating totaling \$367,918, which resulted in additional tax due and owing to the IRS of \$110,067.

Macapugay's wife Elizabeth pleaded guilty on July 21, 2008 to supplying false information to the Internal Revenue Service on their jointly filed 2002 Form 1040.

Chief U.S. District Judge Barbara B. Crabb scheduled sentencing for both Macapugays for October 28, 2008, at 1:00 p.m. and 1:40 p.m. respectively. Mr.

Macapugay faces a maximum penalty of three years in prison.

The charges against the Macapugays were the result of an investigation conducted by the Internal Revenue Service, Criminal Investigation Division. The prosecution of the case has been handled by Assistant U.S. Attorney Daniel J. Graber.

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